STATE OF NEW YORK PUBLIC SERVICE COMMISSION

Case 14-M-0094 - Proceeding on Motion of the Commission Regarding a Comprehensive Clean Energy Fund

ENVIRONMENTAL ASSESSMENT FORM

Consideration of a Clean Energy Fund

Prepared By:

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE Three Empire State Plaza Albany, New York 12223-1350

Dated: April 29, 2014 Albany, New York New York State Public Service Commission Three Empire State Plaza Albany, New York 12223

1-2. <u>Legislative Adoption/ Funding From Other Governmental Agencies</u>:

The action does not involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation. The action does not require a permit, approval or funding from any other governmental agency.

3-20. Land Use of Proposed Action:

The action to be undertaken by the Commission does not include direct approval for the siting or construction of any facilities. Therefore, a consideration of site-specific amounts of land affected, and compliance with existing zoning or other land—use controls are inapplicable to this evaluation.

PART II – IMPACT ASSESSMENT

The described action is not likely to cause any direct environmental effects, since the action alone does not involve physical activities that might have impacts on the environment. Instead, the action would likely create circumstances that subsequently induce activities, which in turn may cause environmental effects. This environmental assessment sets out an evaluation of a range of conceivable secondary consequences of the action. The evaluation relies on qualitative judgments as to the potential changes resulting from the proposed actions and the magnitude and importance of the corresponding potential environmental impacts.

1. Impacts to Air

The existing Renewable Portfolio Standard main tier projects have resulted in reduction of fossil fuel use with a corresponding decrease in the emission of carbon dioxide, sulfur oxides, and nitrogen oxides. Projects funded by the Clean Energy Fund will seek to expand this benefit. Some projects may include use of distributed generation such as micro turbines that may consume biogas, natural gas or petroleum fuels. Stringent regulatory requirements already in place for permitting for air emissions will minimize environmental impacts of such projects.

2. <u>Impacts to Water</u>

The Clean Energy Fund proceeding will not likely result in significant impacts to water resources. Hydroelectric generation is a type of project that maybe built or re-built utilizing Clean Energy Fund resources to serve an individual facility or small area. This may include re-construction or

extensive renovation of existing run of the river or low head hydroelectric plants that are currently abandoned or underutilized. However selected sites will require site-specific evaluation to assess the potential impacts to both the water resources and aquatic ecology.

3. Impacts to Land

The implementation of Clean Energy Fund may result in the siting and construction of renewable resources as well as improvements or expansion of electrical infrastructure such as transmission, distribution and substations. Existing rules and requirements for the construction of such facilities will continue to be effective methods to avoid and minimize impacts to soil, vegetation and environment resources. Institutional arrangements for the construction and operation of new resources may require communities to evaluate local rules related to land use.

4. <u>Impacts to Plants and Animals</u>

The implementation of the Clean Energy Fund may result in the siting and construction of renewable energy or energy efficiency resources as well as improvements or expansion of electrical infrastructure such as transmission, distribution and sub-stations. With new construction, it may be necessary to clear and re-grade land, potentially resulting in loss of habitat due to land disturbance and other operational interference with terrestrial and aquatic resources.

5. Impacts to Agricultural Land Resources

The implementation of the Clean Energy Fund may result in the siting and construction of new renewable or energy efficiency resources as well as improvements or expansion of electrical infrastructure such as transmission, distribution and sub-stations. Agricultural facilities including farms and production facilities may benefit from Clean Energy Fund-related programs since these operations are generally located in rural locations well removed from power supplies. With new construction, there could be the need to clear and re-grade land with the potential for loss of agricultural resources due to land disturbance and other operational interference with terrestrial and aquatic resources.

6. Impacts to Aesthetic Resources

The implementation of the Clean Energy Fund may result in the siting and construction of facilities that result in visual impacts to aesthetic resources. Infrastructure associated with commercial scale photo voltaic, and wind generation, for instance can be extremely tall or cover large areas, resulting in potentially negative visual impacts. Such facilities may also require

improvements or additional transmission lines or substations. With such new construction, there could be the potential for introducing visually obtrusive structures into the landscape.

7. <u>Impacts to Historical and Archeological Resources</u>

The implementation of the Clean Energy Fund may result in the siting and construction of distributed energy resources as well as improvements or expansion of electrical infrastructure such as transmission, distribution and sub-stations. With such new construction, disturbance near or within listed eligible cultural resources may introduce visually obtrusive structures. Construction activities may also result in disturbance of sensitive archeological resources.

8. <u>Impacts to Open Space Recreational Resources</u>

The implementation of the Clean Energy Fund may result in the siting and construction of renewable resources or energy efficiency projects as well as improvements or expansion of electrical infrastructure such as transmission, distribution and sub-stations. Commercial scale renewable energy projects can be extremely large and could result in disturbances near or within open space or recreational resources. These impacts will continue to be evaluated in accordance with existing applicable laws rules and deed restrictions applicable to such resources.

9. <u>Impact to Critical Environmental Areas</u>

Although proper certification and siting criteria should limit the impacts, projects resulting from the implementation of the Clean Energy Fund may result in disturbances near or within designated critical environmental areas. Such disturbances could result from construction of projects that directly utilize the Clean Energy Fund, or from associated energy infrastructure.

10. <u>Impacts to Transportation</u>

The implementation of Clean Energy Fund could potentially result in both positive and negative environmental impacts. Projects supporting plug in electric and fuel cell vehicles could be considered in the Clean Energy Fund Initiative, resulting in improvements energy efficiency and reductions of air pollutants from the transportation section. Transportation of components for some large scale projects to the project site could result in short term disruptions to local traffic conditions and it is possible that long term traffic or transportation impacts may result. For instance, large scale wind projects could result in limitations or restrictions to corridors utilized by aircraft. With such new construction, changes or disturbances to transportation infrastructure or modes of transportation may occur within

transportation systems that will have to be evaluated on a case-by case basis.

11. Impacts to Energy

The intended goal of implementation of the action is to induce subsequent activities that result in improvements to the utilization of energy infrastructure, increased penetration of renewable energy resources, and improved energy efficiency of equipment, vehicles, and buildings. Implementation of the Clean Energy Fund may also result in changes in how and where electricity is generated, distributed and stored, along with new institutional arrangements and new spending by both public and private energy utilities. It is the purpose of this action to reduce pollution associated with energy production, improve energy availability, and lower costs.

12. Noise and Odor Impacts

The implementation of the action would likely induce subsequent activities that result in the siting and construction of new projects as well as improvements or expansion of the electrical transmission and sub-stations. It is possible that short-term or persistent noises or odors may result from construction activities or long term operation of new facilities.

13. <u>Impact to Public Health</u>

The implementation of the action would likely induce subsequent activities that result in the siting and construction of new infrastructure as well as improvements or expansion of the electrical transmission sub-stations. Distributed generation may result in new air emissions and there is the potential for respiratory impacts near a new source. The Clean Energy Fund should also result in additional deployment of renewable energy and energy efficiency projects, decreasing the dependence on high emission fossil fuels and improving the environment and public health.

14. Impact on Growth and Character of Community or Neighborhood

The Clean Energy Fund will likely result in changes to the current mix of energy supply and the location of future generation resources. These changes may involve many components of the energy system in New York State as well as production and delivery of energy to both communities and neighborhoods. These changes are intended to improve energy systems and lower costs; however, there may be secondary impacts on communities.

PART III - DETERMINATION OF SIGNIFCANCE

The Staff of the Department of Public Service has completed a review of this action and determine that there maybe one or more significant environmental impact and recommends that the Commission issues a positive declaration in accordance with 6 NYCRR§ 617.7(a) (1).

Public Service Commission

Name of Lead Agency

James Austin

Name of Responsible Officer in Lead Agency

Deputy Director, Office of Energy Efficiency and the Environment

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Date